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EMPLOYER RESPONSIBILITIES

One of the most important responsibilities you have as an employer is to promptly enroll all employees who meet eligibility and membership qualification standards. You are legally obligated to enroll all employees who qualify for membership at the time of their employment (102 KAR 1:039).

KTRS membership is a mandatory condition of employment for all employees who meet the eligibility and membership criteria defined in statute. Only those who meet the membership criteria can become members. Neither the employee nor the employer has a choice regarding membership. A qualifying employee cannot reject membership; employees who do meet the criteria must choose membership.

MEMBER DEFINED

Kentucky Revised Statutes (KRS 161.220) and (KRS 161.612) define a member as any full-time teacher or professional occupying a position requiring certification or graduation from a four (4) year college or university as a condition of employment and who is employed by a KTRS employer. **Membership is mandatory for all employees in KTRS-covered positions.**

Effective July 1, 2002, the KTRS membership has expanded to include individuals occupying a position on a part-time or substitute basis. **This membership requirement does not apply to persons employed by a KTRS university employer.**

In addition, membership in the Kentucky Teachers' Retirement System also includes the commissioner of education, deputy commissioners, associate commissioners, and all division directors in the State Department of Education.

Employees who qualify as a KTRS member are deemed to consent to the deduction of KTRS contributions from their salary as a condition of employment.

KTRS employers are defined by law (KRS 161.220 4a-o) as:

- Local boards of education;
- Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community colleges under the control of these universities;
- State-operated secondary area vocational education or area technology centers, Kentucky Schools for the Blind and Deaf;
- State Department of Education, Education Professional Standards Board, Kentucky Teachers' Retirement System;
- Regional Cooperation Educational organizations formed by local boards of education;
- Full-time staff members of Kentucky Association of School Administrators, Kentucky Education Association, Kentucky Vocational Association, Kentucky High School Athletic Association, Kentucky Academic Association, and the Kentucky School Boards Association;

- Department of Adult Education and Literacy;
- Department for Technical Education and Vocation Rehabilitation;
- Governor's Scholars Program;
- Kentucky Educational Collaborative for State Agency Children;
- Cabinet for Workforce Development; and the
- Kentucky Community and Technical College System.

MEMBERSHIP DATE

The effective date of membership in KTRS is the date of employment as recorded by you, the employer. If you have not recorded the date of employment, the date of membership is the first payroll day for which contributions are required. Membership in KTRS terminates when a member accepts a refund of KTRS contributions or dies.

ENROLLMENT AS A MEMBER

New members must complete a Membership Application (F-1) at the time of their employment. This form provides KTRS demographic and beneficiary information for the member. KTRS needs a completed membership application to establish an account for the member. This information is also vital in determining KTRS actuarial status.

Whenever a member wishes to change a previously designated beneficiary, he or she must complete a Designation of Beneficiary form (Form F-1C) and a Designation of Beneficiary for KTRS Life Insurance Benefit form (Form DB/1). Such a change may be necessary due to a change in the member's family status (e.g., marriage, birth, divorce, or death).

It is also important that members notify KTRS of changes in their address or name. Written notification is required from the member to accomplish such a change.

POSITIONS COVERED BY KTRS

To qualify for KTRS membership, employees must occupy a position that requires teacher certification or graduation from a four-year college or university. In general, these positions usually are included in the KTRS field of membership.

Position

School Superintendent
Director of Finance & Business
Director of Federal Programs
Director of Food Service & Nutrition
Director of Pupil Transportation
Director of Family Resource Center

Assistant or Deputy Superintendent
Director of Exceptional Children
Dean of Students
Director of Pupil Personnel
Director of District Personnel
Director of District-Wide Programs

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Teachers' Retirement System of the State of Kentucky

School Health Coordinator
Instructional Coordinator
Instructional TV Coordinator
District Tech Coordinator
District Head Start Coordinator
School Psychometrist
Speech Therapist
School Social Worker
Other Central Office Positions
School Vice Principal
Guidance Counselor
Preschool Classroom Instructor
Primary Classroom Instructor
Middle School Classroom Instructor
Job Training Instructor
Chapter I Instructor Test
Homebound Teacher
Gifted & Talented Instructor
Memorandum of Agreement (MOA)

CATS Assessment Coordinator
Exceptional Child Coordinator
Professional Development Coordinator
Job Training Coordinator
Academic Program Consultant
School Psychologist
Central Media Librarian
Supervisor of Instruction
School Principal
Local Vocational School Principal
Media Librarian
Preschool Instruction Supervisor
Elementary Classroom Instructor
High School Classroom Instructor
Local Vocational School Instructor
Exceptional Child Instructor
Substitute Teacher
Gifted & Talented Coordinator
Migrant Advocate

In addition, these professional staff positions may require a four-year degree, which will require KTRS membership:

Position

Public Information Officer
Budget Coordinator
Registered Nurse
Head Start Coordinator
Chief Information Officer
Computer Programmer
General Counsel

Internal Auditor
Finance Officer
Speech Language Pathologist
Family Resource Center Coordinator
Systems Analyst
Human Resources Manager
Social Worker

Effective July 1, 2002, retirees may return to work under limitations set forth in the Kentucky Revised Statutes. These retirees will establish a second retirement account, which can be used to draw additional retirement benefits. (See Chapter 10, Post-Retirement Employment, for additional information.)

POSITIONS NOT COVERED BY KTRS

Individuals employed in the following positions at local school districts are not members of KTRS but may qualify for membership in the County Employees Retirement System (CERS). Employees in a position that either is not certified by the Department of Education (**See substitutes for exception to this rule.**) in Kentucky or does not require a four-year college degree are not covered by KTRS. For more information about individuals covered by CERS, consult the CERS Reporting Official Manual.

Individuals employed in non-KTRS positions by state agencies should be placed in the Kentucky Employees Retirement System (KERS). To learn more about the requirements of KERS, consult the KERS Reporting Official Manual or visit their web site (www.kyret.com).

Position

Administrators in a position not requiring a college degree

Nurse

Athletic Official

Bus Driver

Cafeteria Worker

Clerical Worker

Coach (unless performed by a full-time or part-time contractual teacher)

Secretary

Custodian

Home Educator/Parent Educator

Student Teacher

Mobility Instructor

Tutor (paid by parent or student)

Grounds Worker

Paraprofessionals

Physical Therapist Assistant

Psychologist Intern

Security Guard

Social Worker Intern

Student Worker

Teacher's Aide

Certified Adjunct Instructors

Vehicle Mechanic

SUBSTITUTES

Effective July 1, 2002, employees occupying a position as a substitute teacher are required to contribute to KTRS. Although some districts employ substitute teachers who do not have a four-year college degree, KTRS law requires the employer to withhold contributions on all substitute teachers. Substitute service credit is awarded based on days worked, using the same basis as full-time or part-time employees. Retirees occupying a substitute teaching position will also be required to contribute to KTRS. (For more information regarding retiree employment, see Chapter 10, Post-Retirement Employment.)

THIRD PARTY EMPLOYMENT AGENCIES PROVIDING SUBSTITUTE TEACHERS

Substitute teachers must be employed directly by the KTRS employers and all required KTRS contributions must be remitted to KTRS.

EXCHANGE AND FOREIGN TEACHERS

A teacher, who is from a foreign country, who has a certificate from Kentucky and was not admitted as an exchange alien, qualifies for KTRS membership if they perform the duties of a classroom teacher.

PAID LEAVES OF ABSENCE AND PAID EXCHANGE LEAVES

Only individuals on paid sabbatical leaves granted in accordance with the School Code may retain KTRS membership. Individuals on other paid leaves of absence, including paid exchange leaves, are not members of KTRS during the leave unless accumulated vacation, personal, or sick leave days are used. (Refer to Chapter 6, Service Credit, and Chapter 7, Purchases of Additional Service Credit.)

CONSULTANTS AND INDEPENDENT CONTRACTORS

An individual who contracts with you to provide services for which teacher certification is required qualifies as a KTRS member. Contributions on earnings are required even if the contract characterizes the individual as an "independent contractor." Paying an individual who qualifies as a KTRS member through accounts payable rather than through payroll does not exempt that individual from KTRS contributions.

Any individual claiming to be an independent contractor exempt from KTRS membership or the post-retirement employment limitations governing annuitants must file a written request with KTRS seeking confirmation of independent contractor status. KTRS must receive this request before an individual can be considered exempt from KTRS membership or the post-retirement employment limitations.

If KTRS determines that the individual is hired as an independent contractor, then do not withhold KTRS contributions. If KTRS determines that the individual should have KTRS contributions withheld, KTRS considers these individuals to be employees of the district and recommends that the employer follow all Internal Revenue Service reporting requirements regarding employees.

MEMBERS COVERED BY MEDICARE

All KTRS members hired after March 31, 1986, including retired KTRS members who teach, and all persons who change employers after March 31, 1986, are subject to the Medicare tax. Annexations and consolidations result in continuing employment; therefore, Medicare contributions are not required for members hired before April 1, 1986. The total Medicare tax is 2.9 percent of salary: As the employer, you pay 1.45 percent and the member pays 1.45 percent.

KTRS does **not** collect the Medicare tax. This tax is paid directly to the Internal Revenue Service.

EMPLOYEES COVERED BY SOCIAL SECURITY

Active and retired members of KTRS cannot contribute to Social Security on earnings covered by KTRS. The Social Security Administration considers annuitants of a retirement system as "covered" by the system. Retired KTRS members employed as substitute teachers also cannot contribute to Social Security.

Earnings that are not reportable to KTRS (e.g., bus driving and teacher's aide) are subject to Social Security and may be reportable to the County Employees Retirement System (CERS). See the CERS Reporting Official Manual.

EMPLOYEES COVERED BY CERS OR KERS

Many employees of school districts are covered by the County Employees Retirement System (CERS), and you must contribute for those employees to that retirement fund. CERS members must also contribute to Social Security. Likewise, employees of state agencies who are not covered by KTRS

are members of the Kentucky Employees Retirement System (KERS). Employers should consult the KERS and CERS Reporting Official Manual for more information

If you employ an individual in a KTRS-covered position (e.g., certificated teacher) for part of the school day and in a non-KTRS-covered position (e.g., teacher's aide or secretary) for the remainder of the day, report to KTRS earnings and service information for the portion of the day the individual is employed in the KTRS-covered position. Do not report to KTRS earnings or service information from the non-KTRS-covered position, but evaluate the noncovered position separately for possible CERS coverage.

RE-EMPLOYED KTRS ANNUITANTS

Effective July 1, 2002, KTRS employers are required to collect KTRS contributions from retired employees who are receiving an annuity from KTRS.

Each new re-employed retired member must complete a **Membership Application (F-1RET)**. This form provides KTRS demographic and beneficiary information for the retired member. Completion of this form also allows KTRS to establish a new account for the retiree. (See Chapter 10, Post-Retirement Matters, for information about post-retirement employment limitations.)

NOTIFICATION OF FELONY CONVICTION

Pursuant to KRS 161.470(5)(e), members of the retirement system who are hired on or after August 1, 2000, and who are convicted of a felony related to their employment, shall forfeit rights and benefits earned in KTRS, except for the return of their accumulated contributions and interest credited on those contributions. You should immediately notify the KTRS General Counsel of any felony conviction (or indictment) of one of your KTRS-covered employees who meets these conditions